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Opinions

Home ownership at the foundation of rural economic development

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How many times have you considered homeownership a part of economic development? The truth is, without affordable, safe and adequate housing in America, economic development will continue to struggle to succeed for some of our Nation's citizens. While economic development can mean so many things, at its foundation is a community's ability to provide its residents with decent, safe and affordable housing.

Ensuring that all Americans, including families, elderly and disabled residents, living in our rural communities have affordable and safe housing has been a top priority of USDA Rural Development for more than 70 years. In fact, the Bush Administration has invested \$21.4 billion to help nearly 250,000 rural families become homeowners.

June is National Homeownership Month, a time to reflect on the important role homeownership plays in American society, especially in rural America. Homeownership is a bedrock component of the American economy, helping to increase jobs, boost demand for goods and services, and build prosperity.

So far this year, Rural Development has invested \$1.7 billion nationwide to help more than 21,000 families buy a home. This investment is part of the reason the homeownership

rate for non-metropolitan areas is 76.1 percent, compared to 68.8 percent nationwide. During Fiscal Year 2005 in Kansas, the Agency has provided nearly \$58 million in housing assistance to help more than 800 families in becoming homeowners.

Rural Development's housing programs finance new or improved housing for very-low, low and moderate-income families and individuals who wish to live in rural areas or communities. The purpose of these valuable housing programs is to provide loan assistance which can include zero down payments, along with favorable rates and terms.

Rural Development offers both guaranteed and direct homeownership loans. Under the direct loan program, individuals or families receive a loan directly from the Agency. Guaranteed loans are made by local USDA-approved lenders, such as banks or credit unions, and then are guaranteed by the Agency. In addition to helping expand homeownership, Rural Development also offers grants and loans to help low-income families and the elderly make needed house repairs so they can remain in their own home. During FY 2005 in Kansas, the Agency provided nearly \$1 million in repair funds to improve homes for eligible homeowners.

One of the most exciting housing programs offered by USDA Rural Development

is self-help housing opportunities. Participants, organized in groups of six to nine families by an Agency-approved partner, utilize their own labor to reduce the total construction costs of their homes. These families not only build their own homes, participants create tight-knit communities as they complete their homes together. Rural Development can also fund faith-based and community nonprofit organizations to partner with the Agency in delivering these local self-help housing programs.

For many of us, being able to go to sleep each night in a safe and comfortable home is something we take for granted. However, this is not the case for many rural Americans. Rural Development is committed to the future of rural communities and to helping as many people as possible achieve the American Dream of homeownership.

During June the Agency will be celebrating homeownership and the important role it plays in providing security for children, stabilizing neighborhoods and helping to create stronger communities. USDA will be traveling across Kansas recognizing many homeownership success stories, the results which have improved the lives of Kansans and their communities. The Agency, in cooperation with its many partners, also will announce new and exciting initiatives that will assist even more Kansans the opportunity to own a home for the first time.